



House of Representatives

General Assembly

File No. 172

February Session, 2018

House Bill No. 5191

House of Representatives, April 4, 2018

The Committee on General Law reported through REP. D'AGOSTINO of the 91st Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING POST-SALE WARRANTY WORK REIMBURSEMENT FOR POWER EQUIPMENT DEALERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-351 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2019*):

3 (a) Whenever a supplier and a dealer enter into a dealer agreement
4 that provides for consumer warranties, the supplier shall pay any
5 warranty claim made for parts and service not later than thirty days
6 after receipt and approval of such claim by the supplier. The supplier
7 shall approve or disapprove a warranty claim not later than thirty days
8 after receipt of such claim by the supplier. If a warranty claim is not
9 disapproved in writing by the thirtieth day after receipt of such claim
10 by the supplier, it shall be deemed to be approved and payment shall
11 be made by the supplier not later than thirty days thereafter.

12 (b) A supplier that pays a warranty claim pursuant to subsection (a)
13 of this section shall pay the dealer the full retail price for any parts and

14 the hourly labor rate the dealer charges consumers for nonwarranty
15 repair work for service.

16 (c) A supplier shall not deny a warranty claim made by a dealer
17 pursuant to subsection (a) of this section or charge-back such a claim
18 following a timely audit based solely on the dealer's failure to comply
19 with a claim processing procedure, a clerical error or other
20 administrative technicality, provided the failure to comply does not
21 call into question the legitimacy of the claim. The supplier shall allow
22 the dealer to resubmit a denied claim according to reasonable supplier
23 guidelines not later than thirty days after the initial claim denial or
24 charge-back.

This act shall take effect as follows and shall amend the following sections:

Section 1	January 1, 2019	42-351
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GL *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

This bill clarifies the supplier and dealer relationship for warranty work reimbursements in the automobile industry for power equipment and results in no cost to the state.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 5191*****AN ACT CONCERNING POST-SALE WARRANTY WORK REIMBURSEMENT FOR POWER EQUIPMENT DEALERS.*****SUMMARY**

This bill specifies that for farm, forestry, yard, and garden equipment warranty claims, suppliers must pay the dealer the full retail price for parts and the hourly labor rate the dealer charges for non-warranty repair work. By law, for these equipment warranties under a dealer agreement with a supplier, the supplier must pay a warranty claim made for parts and services within 30 days after it receives and approves the claim.

The bill also prohibits a supplier from denying a warranty or charging back a claim following a timely audit based solely on the dealer's failure to comply with a claim processing procedure, clerical error, or other administrative technicality as long as it does not challenge the claim's legitimacy. The supplier must allow the dealer to resubmit a denied claim based on reasonable supplier guidelines within 30 days after the initial denial or charge-back.

EFFECTIVE DATE: January 1, 2019

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 17 Nay 0 (03/20/2018)